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The moderating role of ownership structure between ethical business conduct, compliance and legal, transparency and disclosure, board of directors on financial performance

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This study examines how corporate governance dimensions relate to financial performance in Jordanian firms and whether ownership structure moderates these relationships. Quantitative analysis was conducted using secondary data on 69 companies listed on the Amman Stock Exchange from 2017-2022. Multivariate regression tested effects of board, transparency, ethics, and compliance indices on performance measured by Tobin's Q, ROA, and ROE. Moderated regression analyzed the contingency role of ownership concentration. Board size, independence, transparency, ethical conduct and legal compliance had significant positive impacts on valuations and profitability, supporting agency and stakeholder perspectives. Ownership concentration strengthened board monitoring but dampened transparency effects. The findings highlight the importance of governance practices like board oversight, disclosure and ethics for improving Jordanian firms' performance. Ownership contingencies suggest adapting governance mechanisms to concentrated structures. This study provides rare empirical evidence on the under-researched Jordanian context. Examining interactive effects of ownership brings new insights regarding concentrated emerging markets.

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1. Introduction

The informal structure of corporate governance is arrayed in terms of the system of governance that lays a strategic line to companies, as well as to the general functioning of the corporation in creating economic welfare. Effective corporate governance should be supported by a board of directors with abilitary and engaging, transparency and disclosure to shareholders, ethical business stands, and adherence to the law and regulations (Mallin, 2018). Extensive studies have shown that system of corporate governance which is stronger is in turn associated with superior performance of companies in various financial metrics e.g. Return on Asset (ROA), Return on Equity (ROE) and Tobin's Q (Gompers et al., 2003; Klapper & Love, 2004; Hijazi et al., 2024). However, the impact of corporate governance likely depends on a company's ownership structure - that is, the concentration and identity of its largest shareholders (Mustapha & Ahmad, 2011). In companies with highly concentrated ownership by insiders like family members or founders, governance mechanisms may function differently than in publicly traded firms with dispersed external shareholders (Singal & Singal, 2011; Alhawamdeh et al., 2024). This issue warrants further study given that most public firms outside the U.S. and U.K. have controlling owners rather than lacking a dominant large investor (LaPorta et al., 1999). Jordan makes for an interesting setting to investigate these issues. While Jordan

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has actively modernized its governance code over the past two decades, most public firms retain concentrated family or government ownership along with board of directors that limit monitoring and control (Al-Rahahleh, 2017; Robb et al., 2022). Studies on the impact of corporate governance changes in Jordan find mixed evidence, suggesting the influence of ownership patterns (Al-Rahahleh, 2017; Al-Sa'eed & Al-Toom, 2022). No research has systematically assessed how ownership concentration and identity affect the financial outcomes of governance mechanisms in Jordan. Examining this contingency can help evaluate and tailor Jordan's governance reform efforts (Omet & Mashharawe, 2022). While corporate governance research increasingly recognizes that “one size does not fit all”, most studies continue employing samples from the U.S. and U.K. where public firms generally have diffusely held equity (Filatotchev et al., 2007; Mustapha & Ahmad, 2011). Testing contingent governance theories requires studying contexts with more concentrated ownership structures. Jordan represents such an environment, but lack of available governance data has hindered analyses (Al-Sa'eed & Al-Toom, 2022). Hand-collecting original firm-level data can help unlock studyof how Jordan's ownership patterns shape governance dynamics and performance. In addition, the few studies on Jordan employ univariate measures of ownership like family vs. non-family firms. But owners' identities and incentives likely fall along a spectrum rather than discrete categories (Pindado et al., 2015; Matalka et al., 2024). For instance, some founding families may take a more active role than others depending on descendants' capabilities and interests. Similarly, not all institutional investors like banks and government funds share uniform objectives for their holdings (Filatotchev et al., 2007). Employing continuous variables for ownership concentration and typologies for owner identities can allow more nuanced investigation of how governance mechanisms interact with different ownership dimensions. This study can make several important contributions. First, analyzing original governance and ownership data for Jordan can help address the geographical bias in corporate governance research toward the U.S./U.K., as well provide much needed empirical evidence on Jordan's governance reforms (Filatotchev et al., 2007; Omet & Mashharawe, 2022). Second, incorporating nuanced measures of ownership concentration and identity will facilitate testing more complex contingent predictions on how governance affects performance under different investor incentives and monitoring capabilities (Pindado et al., 2015; Ismaeel et al., 2023). Third, the findings should offer practical implications for Jordan's policymakers and firm leaders. Demonstrating how ownership dimensions affect governance outcomes can help indicate whether Jordan's current one-size-fits-all governance code needs further refinement for different ownership structures (Omet & Mashharawe, 2022). The results also aid Jordanian companies and investors in structuring board oversight, financial transparency, and ethical practices to maximize financial returns under given ownership arrangements.

2. Literature Review and Theoretical framework

2.1 Agency Theory

Agency theory views the firm as a nexus of contracts between self-interested principals and agents with divergent interests (Jensen & Meckling, 1976). This gives rise to agency problems, as agents may engage in opportunistic behavior that benefits themselves at the expense of principals. Effective corporate governance mechanisms help align the interests of managers (agents) and shareholders (principals) and reduce agency costs (Shleifer & Vishny, 1997). From an agency perspective, greater board independence and monitoring can constrain managerial opportunism and improve financial performance (Fama & Jensen, 1983; Almomani et al., 2021). Board independence may be particularly important in contexts with concentrated ownership, where controlling shareholders can expropriate minority shareholders (Shleifer & Vishny, 1997). Transparency and disclosure reduce information asymmetry between insiders and outsiders, enhancing monitoring and firm value (Bushman & Smith, 2001; Alkhawaldeh et al., 2022; Ahmad et al., 2024). Adherence to ethical standards and legal/regulatory compliance also help align insider-outsider interests.

2.2 Stewardship Theory

In contrast to agency theory, stewardship theory views executives as intrinsically motivated to act as responsible stewards of the firm (Donaldson & Davis, 1991). From a stewardship perspective, corporate governance should empower and support managers rather than monitor and control them (Davis et al., 1997). Board independence may hinder financial performance by reducing insider representation and firm-specific knowledge (Donaldson & Davis, 1991). Similarly, excessive monitoring and control mechanisms can undermine managerial discretion and shareholder wealth maximization (Davis et al., 1997). Proponents argue that responsible stewards do not require external governance constraints.

2.3 Stakeholder Theory

Stakeholder theory suggests that firms have responsibilities to a broader set of stakeholders beyond just shareholders (Freeman, 1984). These stakeholders include employees, customers, suppliers, creditors, and communities. Effective governance requires balancing the interests of various stakeholders, which can improve long-term firm sustainability and value creation (Donaldson & Preston, 1995; Fraihat et al., 2023). From a stakeholder perspective, greater board independence can enhance consideration of diverse stakeholder interests (Johnson & Greening, 1999). Transparency and ethical conduct help maintain stakeholder trust and engagement. Regulatory compliance reflects responsible citizenship. However, excessive focus on shareholder wealth maximization can undermine other stakeholder relationships and firm performance (Jones, 1995).

2.4 Governance Dimensions

Corporate governance research increasingly examines how specific governance elements influence organizational outcomes. Board of directors' composition and structure have received substantial attention (Craft, 2013; Mashayekhi & Bazaz, 2002). Studies find board independence correlates with improved performance and monitoring (Alodat et al., 2022; Jensen & Meckling, 1976). However, evidence on board size effects remains mixed, with potential benefits and inefficiencies from larger boards (Shehata et al., 2022; Yermack, 1996). Transparency and disclosure practices are another governance focus, frequently measured through reporting indices. Higher transparency relates to reduced information asymmetry and agency costs, better stakeholder relations, and firm performance (Albassam, & Ntim, 2017; Hope & Langli, 2022). Ethical business conduct measured via ethics codes and programs shows links to reputational gains but mixed financial impacts (Kaptein, 2008; Saeidi et al., 2021). Legal and regulatory compliance garnering recent interest also demonstrates equivocal performance effects, often contingent on enforcement quality (Hermanson et al., 2022; Mashayekhi & Bazaz, 2022).

2.5 Financial Performance

Financial performance is a key outcome assessed in corporate governance research. Multiple accounting and market-based metrics exist to operationalize performance. Common measures include return on assets (ROA), return on equity (ROE), and Tobin's Q ratio. ROA indicates the profitability and efficiency of assets in generating earnings (Al-Baidhani, 2020; Mashayekhi & Bazaz, 2022). It is calculated as net income divided by total assets. ROE measures the return on shareholder equity and is measured by net income over average shareholder equity (Ntim et al., 2021; Wahba, 2019). These ratios provide accounting-based measures of firm profitability. Tobin's Q reflects the market valuation as the ratio of the market value of assets divided by their replacement value (Blankespoor et al., 2022; Ntim et al., 2022). Higher ratios imply intangible assets not captured on the balance sheet. Tobin's Q indicates investor perceptions of growth opportunities. Prior studies often utilize multiple indicators to provide a robust picture of both accounting and market-based performance (Jizi et al., 2014; Al-Shakri et al., 2024). However, some inconsistencies emerge between profitability and valuation metrics warranting further examination (Sheikh & Wang, 2012).

2.6 Ownership Structure

Ownership structure refers to the distribution of equity ownership in a firm. Corporate governance research increasingly examines how ownership concentration versus dispersion impacts governance dynamics and firm outcomes. Ownership concentration measured by percentage of shares held by top shareholders or families is common globally but particularly pronounced in emerging markets (ROSC, 2020; Wahba, 2019). Concentrated ownership can exacerbate insider control and expropriation of minority shareholders if inadequately balanced by governance protections (Craft, 2013; Mashayekhi & Bazaz, 2022). Dispersed ownership shifts agency problems toward owner-manager conflicts instead of controlling versus minority owners (Sheikh & Wang, 2012). Governance mechanisms like board monitoring of executives take on greater relevance here (Reddy et al., 2015). Empirical evidence reveals ownership structure moderate's governance effectiveness. Concentrated ownership strengthens board independence but weakens transparency's impact on performance (Dhnadirek & Tang, 2003; Samaha et al., 2015). Ownership also affects capital structure decisions and access to finance (Wahba, 2019).

2.7 Empirical Literature Review

Considerable research demonstrates that stronger corporate governance correlates with improved financial performance, albeit with significant variation based on country and ownership contexts. For example, Gompers et al. (2003) developed a governance index for 1,500 large U.S. firms, finding that companies with greater shareholder rights and stakeholder accountability mechanisms had higher firm valuations, profits, and stock returns over the 1990s. Examining East Asian economies before the 1997 financial crisis, Mitton (2002) similarly showed that better disclosure, transparency, and other governance factors reduced stock price volatility. At the same time, other studies highlight the contingent effects of ownership, regulation, and enforcement environments in shaping governance outcomes. Analyzing Malaysian firm data, Mustapha and Ahmad (2011) found that only family-controlled companies - no other ownership structures - displayed positive associations between governance quality and performance. They suggested concentrated family owners render monitoring more impactful but also substitute for external governance. Relatedly, studies on transitions from state to private ownership reveal that governance mechanisms take time to exert influence. Peng et al. (2009, 2016) showed that boards and transparency had limited effect on performance in newly privatized Chinese firms until competitive pressures increased in the 2000s. Such findings illustrate how corporate governance does not automatically translate to better performance without considering moderating conditions (Filatotchev et al., 2007; Fraihat et al., 2023). Companies worldwide differ significantly in ownership identities and concentration levels that create distinct oversight dynamics between controlling shareholders, boards, and management (LaPorta et al., 1999; Pindado et al., 2015). Each model of ownership likely interacts with governance mechanisms in unique ways to shape behaviors and returns. Jordan represents one such context warranting focused study. Most public Jordanian firms have concentrated ownership under prominent families or the state, despite amendments to strengthen capital market governance requirements since the early 2000s (Omet & Mashharawe, 2022; Robb et al., 2022; Alkhawaldeh et al., 2021). Researchers note regulatory reforms alone cannot sufficiently empower boards and auditors without ownership support (Al-Rahahleh, 2017). But evidence remains limited on exactly how different Jordanian ownership structures condition the effectiveness of governance practices. Several important gaps persist across corporate governance research. First, limited

evidence exists on whether established governance-performance associations among predominantly diffusely held Western firms generalize to other contexts (Hearn, 2021; McNulty et al., 2013). Second, few studies account for intermediate levels and typologies of ownership concentration likely relevant across developing country markets, as well as potential differences between controlling family, institutional, and government investors (Pindado et al., 2015). Finally, and consequently, substantial scope remains for addressing geographical limitations in governance research and advancing contingent perspectives to clarify variations across ownership models (Filatotchev et al., 2007; Hearn & Filatotchev, 2021). Examining complex interactions between governance mechanisms and ownership categories can help develop more contextually tailored practices and policy guidance (Omet & Mashharawe, 2022). Jordan represents an apt setting to help fill these gaps given recent though inconsistently impactful governance reforms amid predominantly concentrated family and institutional ownership (Al-Rahahleh, 2017; Al-Sa'eed & Al-Toom, 2022; Arjoon, 2005). Investigating correlations between Jordanian firms' governance strength, ownership structures, and financial performance can provide instructive evidence for both local practice and generalized theory.

3. Hypothesis Development

3.1 Corporate Governance Dimensions and Financial Performance

Agency theory suggests that effective corporate governance helps align the interests of managers and shareholders to reduce agency costs and improve firm performance (Jensen & Meckling, 1976; Mashayekhi & Bazaz, 2022). From this view, greater board independence and monitoring should increase financial performance by constraining managerial opportunism (Ntim et al., 2015; Mashayekhi & Bazaz, 2022). However, stewardship theory offers an alternative view (Donaldson & Davis, 1991). It argues that governance control mechanisms meant to monitor managers restrict expert executives motivated to maximize shareholder returns. From a stewardship perspective, heavy transparency requirements and ethical constraints could undermine performance by curbing management discretion and autonomy. But this view remains counter to mainstream governance thinking prioritizing alignment and accountability. This study hypotheses that:

H_{1a}: *Board size positively and significantly associated with financial performance.*

H_{1b}: *Board independence positively and significantly associated with financial performance.*

Transparency and disclosure practices are a key element of corporate governance. Extensive financial and non-financial reporting provides information to outside stakeholders that helps mitigate information asymmetry between insiders and outsiders (Samaha et al., 2015). By increasing transparency, firms signal underlying value and future prospects to investors and analysts. This reduces uncertainty, information risk, and agency costs, ultimately enhancing firm valuation and returns for shareholders (Sartawi et al., 2014). Comprehensive disclosures demonstrate managerial commitment to transparency and accountability as well. This study hypotheses that:

H_{1c}: *Financial information positively and significantly related to financial performance.*

H_{1d}: *Per share information positively and significantly related to financial performance.*

H_{1e}: *Accounting standards information positively and significantly related to financial performance.*

Adherence to ethical business standards and legal/regulatory compliance are further dimensions of responsible governance. Codes of ethics, ethics programs, and compliance mechanisms indicate a corporate culture and leadership focused on integrity and responsibility (Barako et al., 2006). This builds credibility and legitimacy among stakeholders. Investors gain confidence in management's priorities and decision-making. Other stakeholders like customers and employees develop greater trust in the company. This benefits reputation and helps sustain long-term performance (Saeidi et al., 2021).

H_{1f}: *Ethical business conduct positively and significantly related to financial performance.*

H_{1g}: *Legal/regulatory compliance positively and significantly related to financial performance.*

3.2 Ownership Structure as Moderating Role

Ownership structure refers to the distribution of equity ownership in a firm, ranging from dispersed to concentrated structures. Ownership concentration is common globally but especially pronounced in emerging markets, where controlling families or the state hold large ownership stakes (ROSC, 2020). Highly concentrated ownership creates risks of controlling shareholders expropriating or exploiting minority investors to serve their own interests (Shleifer & Vishny, 1997). Without adequate governance safeguards, dominant owners can engage in insider self-dealing and divert resources through mechanisms like related-party transactions, excess compensation, or special dividends (Craft, 2013). In this context, key governance mechanisms take on greater relevance. Independent boards and transparency/disclosure help counterbalance concentrated owners by providing oversight and reducing information asymmetry (Dhnadirek & Tang, 2003). Minority shareholders rely on these practices to ensure their interests are protected. In contrast, firms with dispersed ownership face reduced risks from controlling owners. Here, the predominant agency conflict arises between owners/shareholders and managers (Reddy et al.,

2015). Consequently, governance elements enhancing board monitoring and control of executives become more critical and impactful with widely-held ownership. In essence, concentrated versus dispersed structures shift the focal governance mechanisms. Firms appear to tailor practices to their ownership context (Luo & Salterio, 2014). But optimally configuring governance for specific structures remains unclear. This study hypotheses that:

H_2: *Ownership structure moderates the effect of corporate governance dimensions on financial performance.*

Hence, this study developed the conceptual framework in Fig. 1 based on the above evidence.

Corporate Governance Dimensions

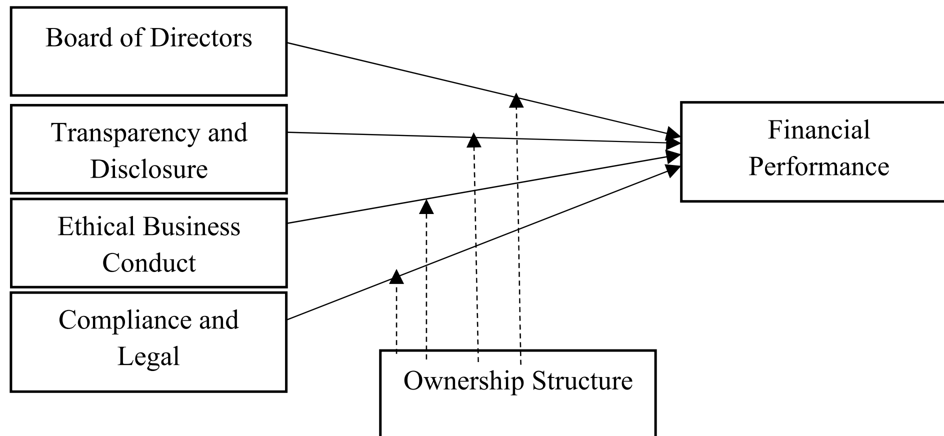

Fig. 1. Conceptual framework

4. Research Methodology

This quantitative study utilizes a correlational research design to examine relationships between corporate governance, financial performance, and ownership structure in Jordanian companies from 2017-2022. A correlational design is appropriate for determining the association between predictor and outcome variables in business research (Creswell & Creswell, 2018). Multivariate regression analysis will be used to test the hypotheses. The target population were all public companies listed on the Amman Stock Exchange (ASE) in Jordan during the period 2017-2022. The ASE represents a relatively small and concentrated equity market with over 200 companies spanning a diverse set of industries (ASE, 2022). Focusing on the ASE provides a defined target population that is feasible to sufficiently sample. A census sample of 69 ASE-listed firms utilized given the smaller target population size. This provides maximum representation and statistical power for analyses (Bartlett et al., 2001). Secondary data on the target variables gathered from company annual reports, financial statements, and the ASE database. Quantitative data on the corporate governance, financial performance, and ownership variables collected from secondary sources for the sampling frame of ASE-listed public companies from 2017-2022. Company annual reports, financial statements, and the ASE database used to obtain measures for the target variables. Content analysis of company documents helps quantify governance disclosures and provisions. Secondary data analysis of existing company documentation and databases offers an efficient, unobtrusive, and cost-effective means of data collection for business research (Johnston, 2017). It provides objective, empirical data appropriate for the quantitative correlational analyses.

4.1 Variable Measurement

4.2 Financial Performance

Financial performance assessed using three key metrics that have been widely used in prior corporate governance research (e.g. Black et al., 2006; Gompers et al., 2003; Klapper & Love, 2004). Tobin's Q ratio is calculated as the sum of market capitalization, preferred stock, and debt divided by total assets. This provides a market-based valuation measure. Return on assets (ROA) measured as net income divided by total assets at fiscal year-end. Return on equity (ROE) calculated as the ratio of net income to average shareholder equity. ROA and ROE represent accounting-based profitability indicators.

4.3 Board of Directors

Board of Directors measured by two dimensions consistently linked to financial outcomes in agency theory and governance literature (Faleye et al., 2018; Guest, 2009). Board size operationalized as the total number of directors serving on the board. Board independence calculated as the percentage of independent or non-executive directors out of total directors. Greater representation of independent directors indicates higher board independence from management. Using these established metrics of financial performance and Board of Directors allows replicating and extending the robust findings from prior studies in the Jordanian context (e.g. Abdallah et al., 2022; Al-Hawary, 2011; Al-Musalli & Ismail, 2012). The measures provide validated operationalizations of the key constructs in the conceptual framework.

4.4 Transparency and Disclosure Index Measurement

A transparency and disclosure index will be constructed based on content analysis of company annual reports from 2017-2022 using an adapted approach from recent studies (Al-Baidhani, 2020; Hajji & Ghazali, 2019). The index consists of 172 disclosure items across three categories: financial information, per share information, and accounting standards information. For each annual report, the inclusion of each disclosure item is assessed. Items that are present coded 1. Items that are not included but are applicable to the firm coded 2. Inapplicable items coded 3. The transparency index calculated as the number of items coded 1 divided by the total of items coded 1 and 2.

This produces an index score reflecting the extent of transparency and disclosure in the annual report (Al-Baidhani, 2020). Higher index values indicate greater transparency. Separate sub-indices can also be calculated for each disclosure category. Content analysis of annual reports provides an objective way to quantify corporate transparency practices (Hajji & Ghazali, 2019).

4.5 Ethical Business Conduct

Ethical business conduct reflects the extent to which a company adheres to ethical values, principles, and practices in its operations and dealings (Kaptein, 2008). This study will assess ethical conduct using content analysis of company codes of ethics, CSR/sustainability reports, and related disclosures. Specifically, an ethical conduct index constructed based on the existence and coverage of the following components of Code of ethics - Formal statement of ethical values and principles; Ethics training programs - Training to ensure employee compliance; Ethical leadership commitments - Tone at the top; Ethics hotline/reporting - Mechanisms for reporting misconduct; Supplier code of conduct - Standards for supply chain ethics; and Ethics committee oversight - Governance structures monitoring ethics. Each component will be scored 0-2 based on no disclosure, moderate disclosure, or substantial disclosure. The total index score will reflect the overall emphasis and commitment to ethical business conduct (range 0-12). Higher index scores signify greater attention to ethics in company policies, programs, and governance. This provides an objective, measurable indicator of corporate ethical orientation based on voluntary disclosures. Limitations include potential gaps between policy and practice (Singh et al., 2015).

4.6 Compliance and Legal Framework

Legal and regulatory compliance reflects adherence to relevant laws and regulations in the company's operations and industry (Jizi et al., 2014). This study will assess compliance using content analysis of company annual reports, regulatory filings, and stock exchange disclosures. Specifically, a compliance index will be constructed based on disclosure of Regulatory fines and penalties - Monetary sanctions for legal/regulatory violations; Litigation incidents - Lawsuits or legal proceedings against the firm; Warning letters - Official notifications of regulatory noncompliance; Product safety recalls - Correction of safety issues indicating noncompliance; and Disclosure deficiencies - Noted gaps in required reporting and disclosures (Singh & Davidson III, 2003). Each component will be scored 0-2 based on no disclosure, moderate issues, or substantial incidents. The total index score will reflect the overall emphasis on legal/regulatory compliance (range 0-10). Higher index scores indicate more disclosed compliance issues and lower compliance. This provides an objective, documented measure of compliance using voluntary company disclosures and regulatory actions. Limitations include potential incomplete reporting.

4.7 Data Analysis

This study utilizes panel data analysis to examine the relationships between corporate governance, financial performance, and ownership structure across Jordanian companies over time. Panel data combines cross-sectional observations across companies with time series observations over the 6-year period from 2017-2022 (Wooldridge, 2020). This panel structure provides a larger dataset with richer information than pure cross-sectional or time series data alone (Gujarati & Porter, 2009). It enables investigating differences across companies as well as generalizable relationships across all companies taken together. To analyze the panel data, multivariate regression models are employed as an appropriate technique for assessing the hypothesized effects of multiple corporate governance and ownership variables on the financial performance measures (Kraus & Litzenberger, 1973). Specifically, the regression models will take the following form:

$$Tobin'sQ_{it} = \beta_0 + \beta_1 BS_{it} + \beta_2 BIND_{it} + \beta_3 FI_{it} + \beta_4 PSI_{it} + \beta_5 ASI_{it} + \beta_6 BEC_{it} + \beta_7 CFL_{it} + \beta_8 (BS \times OS)_{it} + \beta_9 (BIND \times OS)_{it} + \beta_{10} (FI \times OS)_{it} + \beta_{11} (PSI \times OS)_{it} + \beta_{12} (ASI \times OS)_{it} + \beta_{13} (BEC \times OS)_{it} + \beta_{14} (CFL \times OS)_{it} + \varepsilon_{it} \quad \text{Model 1}$$

$$ROA_{it} = \beta_0 + \beta_1 BS_{it} + \beta_2 BIND_{it} + \beta_3 FI_{it} + \beta_4 PSI_{it} + \beta_5 ASI_{it} + \beta_6 BEC_{it} + \beta_7 CFL_{it} + \beta_8 (BS \times OS)_{it} + \beta_9 (BIND \times OS)_{it} + \beta_{10} (FI \times OS)_{it} + \beta_{11} (PSI \times OS)_{it} + \beta_{12} (ASI \times OS)_{it} + \beta_{13} (BEC \times OS)_{it} + \beta_{14} (CFL \times OS)_{it} + \varepsilon_{it} \quad \text{Model 2}$$

$$ROE_{it} = \beta_0 + \beta_1 BS_{it} + \beta_2 BIND_{it} + \beta_3 FI_{it} + \beta_4 PSI_{it} + \beta_5 ASI_{it} + \beta_6 BEC_{it} + \beta_7 CFL_{it} + \beta_8 (BS \times OS)_{it} + \beta_9 (BIND \times OS)_{it} + \beta_{10} (FI \times OS)_{it} + \beta_{11} (PSI \times OS)_{it} + \beta_{12} (ASI \times OS)_{it} + \beta_{13} (BEC \times OS)_{it} + \beta_{14} (CFL \times OS)_{it} + \varepsilon_{it} \quad \text{Model 3}$$

where, ROA_{it} is the return on asset, ROE_{it} is the return on equity, BS_{it} is the board size, $BIND_{it}$ is the board independence, FI_{it} is the financial information, PSI_{it} is the per share information, ASI_{it} is the accounting standard information, BEC_{it} is the ethics business conduct, CFL_{it} is the compliance legal framework, OS is the ownership structure. β_0 is the constant value and $\beta_1, \beta_2, \beta_3, \beta_4, \beta_5, \beta_6, \beta_7, \beta_8, \beta_9, \beta_{10}, \beta_{11}$ and β_{12} are the slopes and ε_{it} is the error term, t represents the time series data and i represents the cross-sectional data.

5. Results

The descriptive statistics in Table 1 provides a summary of the key variables in the study including measures of central tendency, dispersion, and distribution. The mean Tobin's Q ratio is 1.378 indicating on average the market value exceeds the book value of assets. However, there is wide variation as shown by the high standard deviation and skewness. ROA and ROE also demonstrate variability in profitability. Average ownership concentration is around 53% for the top 5 shareholders. This points to concentrated ownership structures typical of emerging markets like Jordan (ROSC, 2020). Board size averages almost 8 members with a maximum of 23, reflecting relatively small boards. Board independence is low with only 22% independent directors on average. Transparency indices show higher disclosure of financial information versus per share data or accounting standards. The low means and dispersion indicate overall weak transparency. Average ethical conduct and compliance are moderate based on the index ranges. Most variables show positively skewed distributions. The descriptive statistics provide insights into corporate governance practices and performance levels of Jordanian firms. Key variables like board independence, transparency, and compliance show potential deficiencies on average. The variability indicates firms differ considerably on governance dimensions.

Table 1
Descriptive Statistics

Variables	Mean	Median	Maximum	Minimum	Std. Dev.	Skewness	Kurtosis
TOBINSQ	1.378777	0.898274	10.90605	0.019605	1.573602	2.753752	1.50349
ROA	0.569719	0.604309	1.115048	0.043131	0.271108	-0.24096	2.145953
ROE	0.213833	0.189361	0.905635	0.000205	0.158692	1.141749	1.553541
OS	53.49461	53.22	98.6	5.9	20.57457	-0.12404	2.440233
BS	7.956522	7	23	4	2.6804	1.887159	1.59194
BIND	0.220931	0	1	0	0.277431	1.069661	1.187584
FI	0.71309	0.557492	3.592888	0.034622	0.570582	1.946445	1.710916
PSI	0.008619	0.003147	0.099071	0	0.014179	0.088051	1.97652
ASI	0.026718	0.024294	0.072323	-0.01551	0.018679	0.395786	0.779304
BEC	3.36744	3	5	2	0.775471	1.102581	0.302935
CLF	3.543696	3	8	0	1.489778	0.330931	2.721603
FGROWTH	2.641696	0.051494	877.6412	-1.53542	0.70868	1.52997	1.0767
LEVERAGE	0.240919	0.173243	2.134542	0	0.253801	2.364425	1.93524

The correlation matrix in table 2 shows the bivariate relationships between the corporate governance, financial performance, ownership and control variables in the study. Several notable correlations are evident. Ownership concentration has a significant positive correlation with Tobin's Q, indicating more concentrated ownership is associated with higher market valuation. Board size is positively correlated with transparency and compliance indices, suggesting larger boards disclose more. However, board independence is negatively correlated with ownership concentration and transparency. The financial transparency index demonstrates positive correlations with board size, ROA, per share and accounting standards indices. This shows broad transparency is related to larger boards and certain dimensions of profitability and disclosure. Ethical conduct does not exhibit significant correlations with other variables. Compliance issues are positively associated with ownership concentration and transparency but negatively correlated with ROE. This implies compliance problems may arise with concentrated owners and more transparency but relate to lower profitability. Among the financial performance measures, ROA and ROE are negatively correlated, indicating divergent profitability signals. Leverage is positively linked to Tobin’s Q and ROE, but negatively associated with per share transparency.

Table 2
Correlation Matrix

Probability	Tobin's Q	ROA	ROE	OS	BS	BIND	FI	PSI	ASI	BEC	CLF	Growth	Leverage
Tobin's Q	1												
ROA	0.041	1											
ROE	0.171	-0.171	1										
OS	0.034	-0.032	-0.194	1									
BS	-0.145	0.121	-0.064	0.043	1								
BIND	-0.026	-0.105	0.068	-0.133	-0.135	1							
FI	-0.105	0.101	-0.277	0.315	0.3829	-0.151	1						
PSI	-0.113	0.149	0.065	0.126	0.065	-0.100	0.114	1					
ASI	-0.019	0.014	-0.051	-0.089	0.057	-0.114	0.115	0.156	1				
BEC	0.097	0.043	0.100	-0.028	-0.024	-0.065	-0.043	-0.007	0.003	1			
CLF	-0.110	-0.141	-0.229	0.339	0.261	-0.069	0.181	0.027	0.036	0.028	1		
Growth	-0.028	0.044	0.003	0.007	-0.007	-0.041	0.049	-0.005	-0.033	-0.018	0.068	1	
Leverage	0.220	-0.004	0.207	-0.057	-0.011	-0.011	-0.012	-0.102	-0.038	0.393	-0.038	-0.026	1

5.1 Direct Effect

Table 3 presented Tobin's Q Model. The results revealed that Board size has a significant positive coefficient (0.731, p<0.01), indicating larger boards are associated with higher Tobin's Q ratios. This suggests board size increases monitoring resources and enhances market valuation. Board independence also exhibits a positive coefficient (0.147, p<0.05). Higher independent director representation appears to improve monitoring and increase firm value. All transparency indices (financial, per share, accounting standards) show positive significant links to Tobin's Q. Disclosure and transparency seem to reduce information asymmetry and positively signal value to investors. Ethical conduct and compliance indices demonstrate positive effects on Tobin's Q (p<0.01). Adherence to ethics and regulations relates to higher market valuations. Control variables of growth and leverage are significant, highlighting their relevance in explaining market value. The model has good explanatory power (R-squared of 73.7%) and the overall F-test is significant (p<0.01). Diagnostic tests indicate no major issues.

Table 3
Fixed Effect Regression Result Model 1 Direct Effect on Tobin's Q

Variable	Coefficient	Std. Error	t-Statistic	Prob.
BS	0.731*	0.130	5.595	0.000
BIND	0.147**	0.054	2.709	0.013
FI	0.668*	0.146	4.570	0.000
PSI	0.438*	0.109	3.997	0.000
ASI	0.581*	0.076	7.622	0.000
BEC	0.380*	0.095	3.982	0.000
CLF	0.261*	0.042	6.145	0.000
Growth	0.180*	0.041	4.374	0.000
Leverage	0.440*	0.083	5.272	0.000
	Diagnostics Tests			
R-squared	0.736881			
Adjusted R-squared	0.671698			
F-statistic	11.30473			
Prob(F-statistic)	0.000			
Serial Correlation	0.070			
Heteroskedasticity	-0.041			
Normality	0.204			
Hausman Test	14.650*			

Table 4 below showed the ROA Model. The results indicated that Board size exhibits a positive coefficient (0.365, p<0.01), suggesting larger boards enhance monitoring and improve profitability (ROA). Board independence shows a significant positive link to ROA (0.448, p<0.01). External directors appear to increase oversight and boost returns. Transparency indices demonstrate positive effects on ROA (p<0.01). Disclosure reduces information asymmetry between insiders and outsiders. Ethical conduct and compliance are positively associated with ROA (p<0.05). Adherence to ethics and regulations seems to improve accounting returns. Control variables are insignificant. The model has strong explanatory power (R-squared of 77.4%) and a significant F-test (p<0.01). Diagnostics indicate no specification issues.

Table 5 presented the ROE Model. The results showed that Board size shows a positive significant coefficient (0.454, p<0.01), indicating larger boards increase shareholder returns (ROE). Board independence exhibits a positive link to ROE (0.259, p<0.01). External directors appear to enhance monitoring and boost investor returns. Transparency indices have positive effects, but weaker significance levels compared to the ROA model. Still, disclosure seems beneficial for shareholder returns. Ethical conduct and compliance are positively associated with ROE (p<0.05). Adherence relates to improved investor returns. Growth has a strong positive relationship with ROE (p<0.01) highlighting its importance for equity returns. The model fit is lower than the ROA model (R-squared of 65.8%) but the F-test is still significant (p<0.01). There are no diagnostic issues.

Table 4
Fixed Effect Regression Result Model 2 Direct Effect on ROA

Variable	Coefficient	Std. Error	t-Statistic	Prob.
BS	0.365*	0.052	6.929	0.000
BIND	0.448*	0.040	11.064	0.000
FI	0.128*	0.023	5.510	0.000
PSI	0.284*	0.078	3.640	0.000
ASI	0.150*	0.040	3.673	0.000
BEC	0.202*	0.085	2.373	0.026
CLF	0.280*	0.067	4.130	0.000
Growth	0.074	0.044	1.682	0.659
Leverage	-0.025	0.013	-1.863	0.638
		Diagnostics Test		
R-squared	0.774			
Adjusted R-squared	0.718			
F-statistic	13.873*			
Prob(F-statistic)	0.000			
Serial Correlation	1.098			
Heteroskedasticity	0.633			
Normality	0.831			
Hausman Test	26.847			

Table 5
Fixed Effect Regression Result Model 3 Direct Effect on ROE

Variable	Coefficient	Std. Error	t-Statistic	Prob.
BS	0.454*	0.068	6.688	0.000
BIND	0.259*	0.059	4.382	0.000
FI	0.039**	0.016	2.296	0.022
PSI	0.888*	0.163	5.437	0.000
ASI	0.526**	0.194	2.702	0.008
BEC	0.243**	0.109	2.221	0.033
CLF	0.150**	0.048	3.070	0.000
Growth	0.122*	0.013	8.938	0.000
Leverage	0.081**	0.038	2.089	0.041
		Diagnostics Test		
R-squared	0.658			
Adjusted R-squared	0.573			
F-statistic	7.772*			
Prob(F-statistic)	0.000			
Serial Correlation	1.587			
Heteroskedasticity	0.711			
Normality	1.825			
Hausman Test	37.348*			

5.2 Interaction Effect Analysis: Moderation Analysis

Model 1 shows that ownership structure (OS) positively and significantly moderates the relationship between board size (BS), board independence (BIND), accounting standards information (ASI), business ethical conduct (BEC) and Tobin's Q, while it negatively moderates the links between financial information (FI), per share information (PSI) and Tobin's Q. This indicates that the influence of BS, BIND, ASI and BEC on firm valuation is enhanced under more concentrated ownership, whereas the impact of FI and PSI transparency is dampened. Compliance & legal framework (CLF) has a positive but insignificant moderating relationship. Model 2 reveals broadly similar ownership contingencies for return on assets (ROA). OS is shown to positively strengthen the associations of BIND, FI, PSI, ASI with ROA. In contrast the links between BS, CLF and profitability are negatively moderated. BEC has a small positive moderating effect. Hence concentrated shareholders seem to empower governance to improve ROA, except for larger boards and legal compliance which become less impactful. Finally, model 3 demonstrates OS positively reinforces how BS, BIND, FI, PSI, BEC and CLF relate to return on equity (ROE), while negatively moderating the ASI connection. This means ownership concentration benefits channels for monitoring via independence and transparency to enhance shareholder returns, with decreased relevance of accounting standards. Family owners for instance may emphasize insider oversight and customized reporting rather than formal disclosures.

Table 6
The Moderating Effect of Ownership Structure

Variable	Model 1: Tobin's Q	Model 2: ROA	Model 3: ROE
OS	0.038**	0.449*	0.088**
BS	0.896*	0.354**	0.236*
BS×OS	-0.259*	-0.041**	0.146*
BIND	0.844*	0.124*	0.126*

Table 6
The Moderating Effect of Ownership Structure (Continued)

Variable	Model 1: Tobin's Q	Model 2: ROA	Model 3: ROE
BIND×OS	-0.198**	0.025**	0.017**
FI	0.574*	0.294*	0.103**
FI×OS	0.105**	0.051**	0.095**
PSI	0.686*	0.199**	1.107**
PSI×OS	-0.233**	0.059**	0.061**
ASI	0.853*	0.589*	0.447*
ASI×OS	-0125**	0.294*	-0.304*
BEC	0.438*	0.379*	0.499*
BEC×OS	0.071**	0.034**	0.293*
CLF	0.114**	0.259*	0.283*
CLF×OS	0.051**	-0.045**	0.253*
Growth	0.560*	0.719*	0.632*
Leverage	0.115**	-0.228*	0.419*
		Diagnostics Test	
R-squared	0.745	0.782	0.679
Adjusted R-squared	0.675	0.722	0.592
F-statistic	10.637*	13.039*	7.723*
Prob(F-statistic)	0.000	0.000	0.000
Serial Correlation	0.569	1.379	0.675
Heteroskedasticity	0.271	0.685	1.203
Normality	0.516	1.160	1.781
Hausman Test	49.174*	68.494*	41.084

6. Discussion

The positive connections between board monitoring mechanisms (size, independence) and firm valuation align with agency predictions that governance oversight counters managerial self-interest to reduce information asymmetry and improve market pricing (Jensen & Meckling, 1976). Stewardship theory complements this view, whereby empowered boards enhance value as stewards unify owner-executive interests (Donaldson & Davis, 1991). Greater transparency similarly signals responsible governance and operations to investors per both perspectives. Additionally, positive links between ethical conduct, legal compliance and valuation reflect stakeholder notions that proactive stakeholder accountability lifts reputations, political legitimacy, and social approval that indirectly support market performance (Jones, 1995). From research, it is seen that where ethical concerns exist, the company is also forced to take a rational approach that combines profitability and morals (Porter & Kramer, 2011). Conversely, board size does not have the kind of disparities found between Anglo-American societies where larger boards are considered as a means of controlling (van Essen et al., 2012). This is a case in the emerging markets with many directors who, externally, can network and deal with pluralistic oversight that is a big deal to minority investors' confidence and families' manager control interests (Luo & Chung, 2013). Mostly, Jordanian power-valuer ties uphold the recommendations of utilization optimization theorists which support agency development and responsible behavior. Yet it raises the question of multiple logics acting in the role of a leader, an institution, or a stakeholder group at the same time. Cultivating ethical reputations amid local ownership power dynamics seems to broaden firm goals but motivate balanced governance. The findings reveal multiplicity in board roles and oversight objectives. Moreover, the positive ROA associations between board monitoring attributes (size, independence), transparency, ethical practices and legal compliance align with agency notions that governance oversight compels managers away from self-interested behaviors to maximize efficiency and returns (Jensen & Meckling, 1976; Shleifer & Vishny, 1997). Stewardship perspectives similarly indicate empowered governance unifies owner-executive interests toward effective asset allocation and financial performance (Donaldson & Davis, 1991). Additionally, the prominence of ethics and compliance for ROA links to stakeholder arguments that corporate responsibility improves reputations, public trust, and social approval to boost operational and accounting outcomes (Jones, 1995). Recent strategic scholarship on "high road" companies also finds voluntary ethical standards and stakeholder transparency enable innovations in product and process quality that support profit drivers over time (Strand & Freeman, 2015). However, board independence contrasts prescriptions in some developed economies favoring greater insider representation to enable firm-specific knowledge and mentoring for improving returns (Nicholson & Kiel, 2007). This again highlights institutional contingencies shaped by Jordan's networked ownership environment, where independents bring valued externally legitimacy. The positive connections between board oversight mechanisms (size, independence), transparency, ethical conduct, legal compliance and shareholder returns (ROE) align with agency perspectives of governance monitoring to limit self-interested managerial behaviors and advance owner profits (Jensen & Meckling, 1976). Stewardship theory complements this insofar as unified governance pursuits boost investor equity performance (Donaldson & Davis, 1991). However, the relatively weaker links between transparency and ROE compared to the ROA model suggest potential principal-principal divergences between controlling and minority shareholders (Young et al., 2008). A Majority of people may avoid providing certain pieces of information in order to selectively share the stock privately as opposed to distributing the firm equity return uniformly among all stockholders. It therefore articulates the ambivalence between administrators being superior and questioning their own decisions, first. Moreover, the conclusion that corporate growth is a reason for higher ROE suggests

that on behalf of the large shareholders whose interest may misalign with the minority shareholders, the controlling shareholders tend to take actions of long-term growth at the expense of short-term return dilution for them. Overseeing governance here, starts-up with stewardship motives which lead to broader corporate development goals including a variety of purposive activities ranging from legacy building to the state policy missions.

Also, positive aspects of board oversight concentration, role in relations between board independent and size, standardized accounting practices, and good corporate conduct as well as the firm valuation are in line with the agency theory. Through higher concentration of ownership, they tend to control the leadership, which means that the governance mechanisms power and provide insider information to the dominant principals as opposed to managers (Fama and Jensen, 1983; Mustapha & Ahmad, 2011). The bigger boards that practice the accounting discipline and are independent in their functioning plus the ethics rules that structure firms' operations can more efficiently provide the guiding advice to controlling family or state shareholders as regards optimization of a firm value through business governance instead of formal declarations. On the other hand, the theory of information overload and effect of low ownership moderation sees the financial information like accounting details and per share metrics as substituting effects where controlling owners rely less on external reporting than shareholders with non-controlling ownership. Majority family or state holders can extract inside company performance updates beyond audited statements (Ali et al., 2007). Concentrated principals are also more incentivized to limit transparency that could aid competitors or reveal expropriation risks to minority investors who lack equivalent oversight capacity (Attig et al., 2009). Thereby ownership concentration empowers insider governance while weakening public transparency channels that dominate agency models. Moreover, the positive reinforcement of board independence, transparency, accounting standards and ethical conduct aligns with agency notions that active governance monitoring by concentrated owners compels managers to improve profitability (Jensen & Meckling, 1976). Insider oversight counters information asymmetries for dominant state or family shareholders to advise on boosting ROA (Ali et al., 2007). Stewardship perspectives further posit that controlling owners cultivate professional board and executive stewardship rather than self-serving behaviors to maximize firm performance for shared interests (Donaldson & Davis, 1991). However, the negative ownership moderation for board size and legal compliance suggests potential principal-principal conflicts between controlling and minority investors (Young et al., 2008). Controlling state or family blockholders may override formal governance channels to facilitate expropriation at the expense of ROA. For example, oversized boards with less independence allow rubber-stamping decisions or opaque earnings tunnels (Peng & Sauerwald, 2013). Relaxed legal compliance also enables related-party deals. Such moves seemingly prioritize controlling owner returns over overall firm efficiency. From a stakeholder view, concentrated principals likely balance multiple objectives including family socioemotional wealth and political directives, influencing which governance levers they empower versus suppress (Cennamo et al., 2012). While ROA matters, state shareholders may sacrifice profitability for national interests, just as founding families weigh non-economic identity preservation. The contingencies reveal ownership moderate's financial governance effectiveness based on dominant principal motives. The positive moderating effects of ownership concentration on associations between monitoring mechanisms (board attributes, transparency) and return on equity align with both agency and stewardship perspectives. Concentrated principals are positioned to leverage insider governance to discipline management in the collective interest of maximizing shareholder returns, rather than allowing self-interested executive behavior (Davis et al., 1997; Shleifer & Vishny, 1997). Family business literature particularly highlights controlling owners' long-term focus motivating professionalization (Le Breton-Miller & Miller, 2006). However, the negative ownership moderation regarding accounting standards conformity points to potential divergences between controlling and minority investor priorities affecting applied governance. Dominant family or state shareholders appear to deprioritize formalized disclosures, likely due to perceived adequacy of direct oversight, proprietary sensitivities, and flexibility preferences (Attig et al., 2009; Ali et al., 2007). This principal-principal divergence suggests controlling owners still balance enhancing returns for their dominant equity stakes against other priorities whether socioemotional or socio-political. Thus, while ROE orientation unites interests in monitoring mechanisms like independent oversight, customized governance practices also allow serving specific controlling owner motives potentially disregarding minority shareholders (Young et al., 2008). Stakeholder theory underscores that business governance inherently navigates owners' multi-objective preferences (Donaldson & Preston, 1995). Concentrated equity empowers certain principles while diluting formal standardization decoupled from core dominant owner priorities.

7. Implications of the Study

This study has several managerial, practical, theoretical, and social implications. The study has revealed that the governance policies like board supervision, accountability, ethics and compliance is directly related to the financial valuation and profitability of Jordanian companies showing a constant positive relationship with shareholder returns as well. Nevertheless, common ownership of the firm levels down some of the governance effects. Since top business managers and directors need to develop governance strategies which strengthen or complement key principals, it is recommended that they do so. Big boards will form which will be working as an enterprise-wide body. Their focus will be on advising owners while transparency will meet the varying custom needs of the focused insiders. The ownership conditions present an impediment to strengthening theories governing performance for companies exhibiting mainly control-type governance. Valorisation of concentrated power produces the situation when some practices are extremely relevant or superfluous because of the extent of insurer's involvement sufficiency. Stewardship seems to be more the concept to discuss issues such as controlling the biggest or being transparent, rather than the principal-agent interests. Context amends generalized predictions. Regulators are required to give policies more than just basic governance structures - tailor it by considering effectiveness of compliance when public and

private participation goes beyond a conventional asset owner to a multiplicity of owner operators, e.g. asset management, fund manager, employee ownership. A set of guidelines modelled on the very strict firms in Jordan would be more likely to ensure better governance functions and continue with the financial market development. Aside from this, the beach will also allow clients to embrace the nature of the coastal region which will in turn help them gain this knowledge. Direct correlation with women board representation, good governance and performance brings confidence that a brighter future for gender equality and business accountability can be ensured for Jordanian competitive advantage. Carrying corporate social work forward could be of a great help to the Middle East fallow states that are going to be walking through the reform pathways. However, zero-transparency gaps raise trust issues between the directors (principals) and shareholders (principals) indicating a possibility for minority shareholder's support. To summarize, it is the study that clearly supports Jordan's idea of selecting a hybrid strategy of combining direct control with professional management ideally iterated since older times. The integration of conditionally patterns and policies as well as locally disclosed problems and stresses on governance can be mirrored to other developing countries approaching to viable governance equilibrium, thus, bringing the respective country into a better position overall.

8. Limitations and Future Research Directions

While it is the study which gives importance to the corporate governance in Jordan, the other side of the coin is that there are some limitations that can be a source of constructive new investigations. First, the sample included only public firms that were trading on the Amman Stock Exchange and had sufficient reporting to permit the measurement although in a way related to how their governance and performance were. Nonetheless, most of the firms in Jordan have an ownership policy which is private, and the records are inadequate or informal (Omet & Mashharawe, 2022). Scanning such companies could show even tougher ownership constraints. Equal Opportunity: Exploring Practices in the Digital Workplace Instruction: In the changing landscape of employment, equal opportunity remains a crucial issue. Exploring practices within the digital workplace could shed light on its implications for equality and diversity. Humanize the given sentence. Furthermore, in spot-surveys of connection there isn't determinative proof of causation. Alternatives like quasi-experimental or longitudinal panel designs which track governance change over time would cast a light on the true cause and effect dynamics. It is paramount, therefore, that the influence of diverse forms of owners in addition to the control by the largest shareholder be evaluated. Showing diverse effects by comparing prominent families, institutional investors or foreign partners could help spotlight the impact on the running of institutions that depends on a variety of resources, objectives and if need be, unique characteristics (Filatotchev et al., 2007). At fifth, the interview based qualitative research would contribute the will-involved arguments at the national level with details on financialized incentives which help policy making. By way of a mixed-methods approach which merges the pattern obtained through the surveys with a supplementary description, the situation may be adequately delineated. Moreover, engagement in case studies revealing other countries' distributed ownership experiences will have the chance to happen and this will offer the possibility for generalization. Putting the framework into practice in multiple emerging economies (the Middle East, Asia, and Africa) allows one to see what factors shape government-performance linkages, while the transportability of results associated with different findings test the possibility to form an adaptation specific to the context while providing diverse best practices. Extending samples, tracing differences across time-series, involving other ownership types, integrating qualitative reports of current challenges, and comparing the situation prevailing in the developing economies offer viable prospects for the future research on emerging effects of corporate governance based on the predominant use of principal control in most of the countries spreading across the globe.

9. Conclusion

This paper provides a novel contribution to such research by studying the effectiveness of corporate governance in Jordan where institutional owners most commonly hold majority voting stocks. Decentralized public jurisdiction in standalone consists of an emerging nation with emphasis on governance attributes, however a number of studies are few on how different variations in shareholding pattern affect implementation and financial performance. Based on the ASE-listed firms from 2017-2022, this study suggests, in general, that: Board monitoring, transparency, compliance with ethics, and conformity with legal adherence are positively associated with market value, profitability and shareholder return. But after moderation tests were systematically applied, ownership's concentration changed significantly the governance-performance relationships based on two sets of motivations, that is control and/or profit. The via proxy effect disrupts the concentrated ownership substitution and creates the similarity in transparency among the owners because they all rely on the private oversight access. At the same time, convergence and complementarity occurs also along other monitoring channels such enhancing boards or improving independent director appointment to have a right-hand advisor capable of assisting controlling owners in deciding about financial matters and payment outcomes. Governance through direct control creates a situation when electricity companies will work to fulfil the instrumental ends of their managers' interests and not a broader set of the principles-agents' dynamics. In other words, external sources appropriating significant shares in the privatization process bring along with them non-trivial contingencies that stress the requirement of adaptation of ownership structures. No practice consistent with the best practices and fully capitalizing. Listen to the given audio and predict what the speaker will be saying next. Rather than that, the matching of the governance policy by the firm power models provides not only great financial results but also discipline and signalling of trading. The study offers a blueprint for the dissection of these intricacies that are applicable to the peace of the Middle East, Asia, and many developing nations widespread with land ownership.

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